

## **Historic, archived document**

Do not assume content reflects current scientific knowledge, policies, or practices.



UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Adjustment Administration,  
Alfred D. Stedman, Assistant Administrator,  
Director of Division of Information and Records.

No. 13

January 20, 1934

TO FARM JOURNAL EDITORS:

The information which follows was selected and arranged for your use. During the past few weeks several editors have asked for charts and graphs that indicate economic facts relative to the present agricultural situation and problems. We present some herewith and suggest that we will be glad to furnish any similar material upon request if you will let us know what you would like to have.

DeWitt C. Wing,  
Field Expert in  
Extension Information.

Francis Flood,  
Field Expert in  
Extension Information.

#### Loss of Our Pork Exports

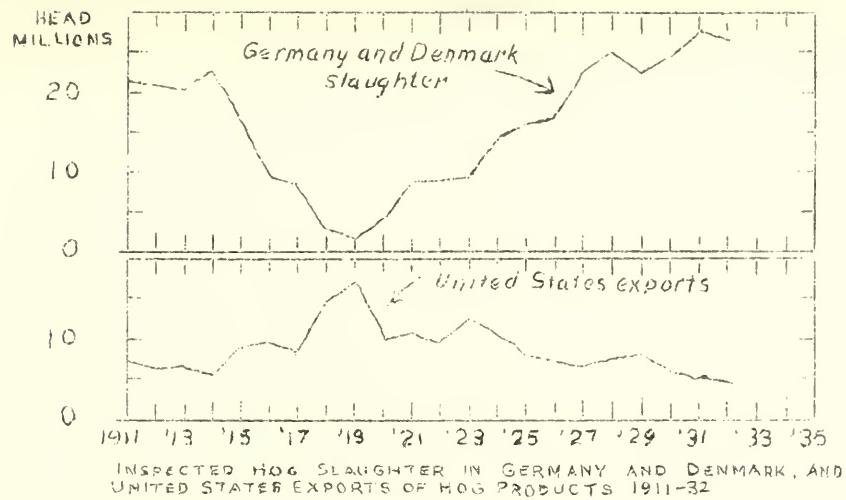
One reason, of course, for our oversupply of pork products at present and the resulting necessity for production control is the falling off of our foreign exports. Our pork exports have fallen steadily since 1919. In the course of nine years, from 1923 to 1932, American hog producers lost a foreign outlet for their pork products of about 9 million hogs.

Why this loss of our foreign markets?

Foreign import restrictions and trade barriers have had their influence on the loss of our exports of hog products, but the major factor seems to be the expansion of production in other countries, particularly Germany and Denmark. When their production increased they got our market and we found ourselves creating an oversupply which we couldn't sell.

The accompanying chart shows the direct relationship between our exports of pork products to Europe and the hog production of Germany and Denmark.

$$= \sum_{k=1}^n \frac{1}{k} \left( \sum_{j=1}^{k-1} \frac{1}{j} \right) = \sum_{k=1}^n \frac{H_{k-1}}{k}$$



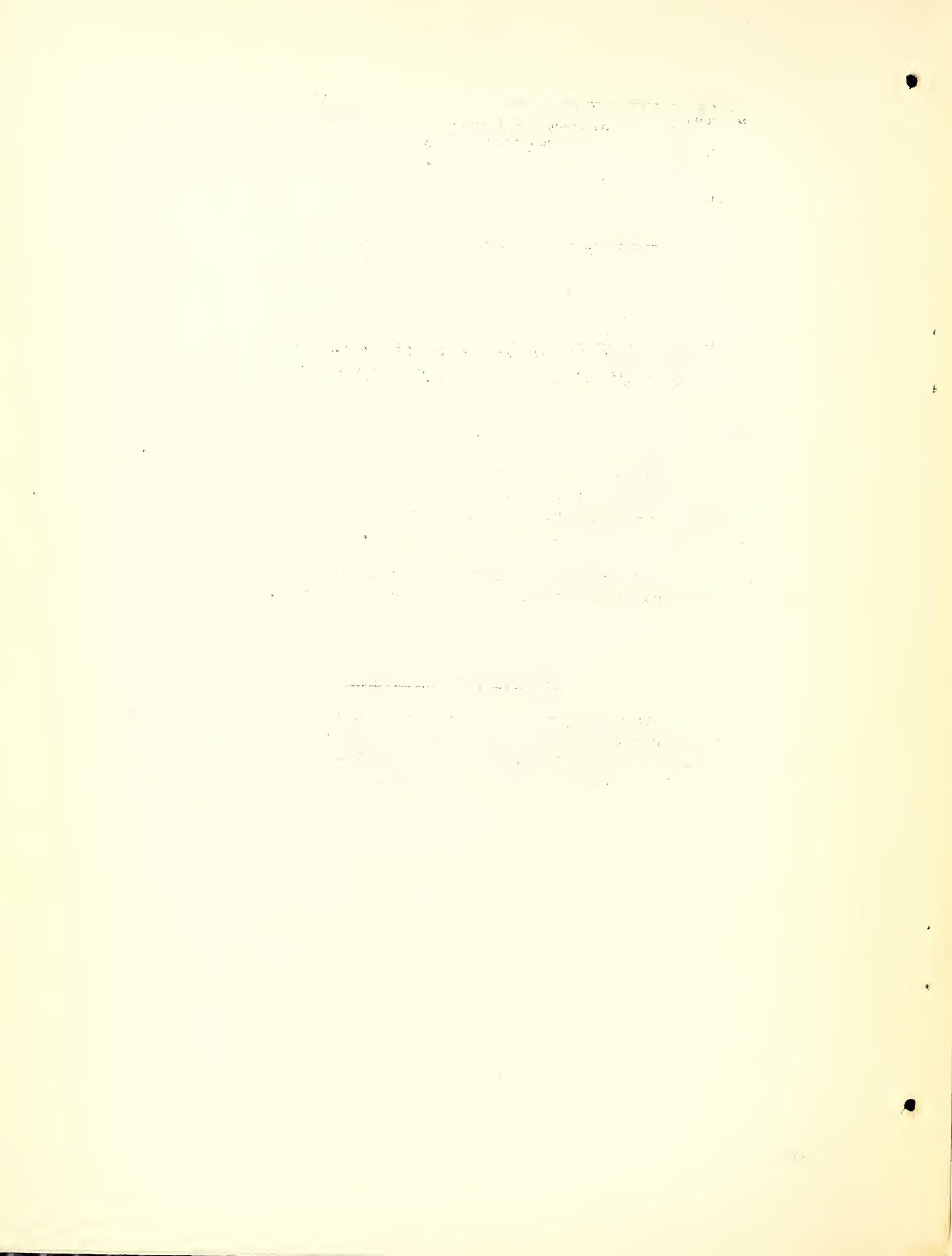
Hog slaughter declined in Germany and Denmark during the war, and increased in the United States. We expanded our exports of hog products by about 200 percent, or the equivalent of 10 million hogs. After the war, Germany and Denmark restored their hog production to a point above their pre-war level, and consequently our exports of hog products declined--but American farmers continued to produce as if this decline in foreign demand had not taken place.

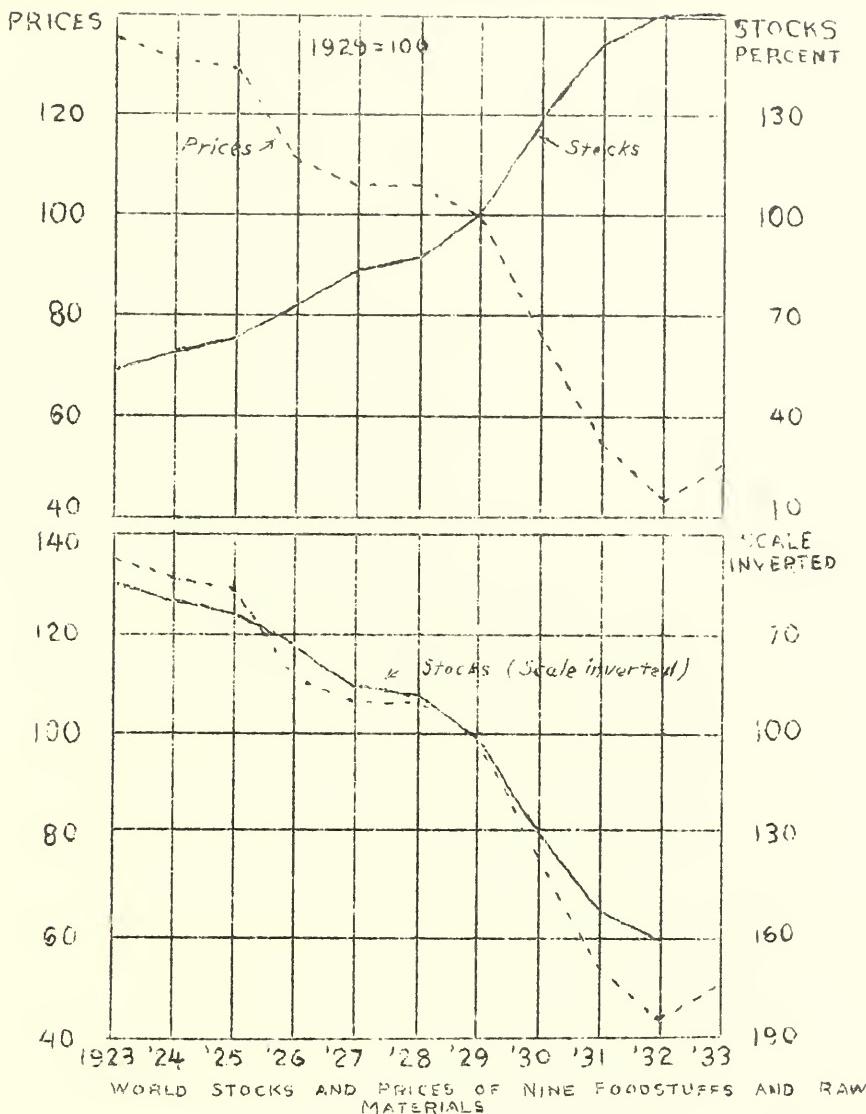
The corn-hog production control program enables American farmers to match their production to meet the effective demand.

II II II

#### Big Supply--Low Price

While the various production control programs are being developed and put into operation it is interesting to observe the effect that heavy production and supply has had in the past. It is apparent that it is not ability to produce that is needed.





The unparalleled contraction in economic activity occurred in spite of the fact that the country possessed great resources and a healthy population of willing and experienced workers. Huge stocks of excess supplies of many basic products piled up. It is apparent, from the accompanying chart, that these large stocks, or supplies, must be cut down if there is to be a sound rise in prices. Prices which were somewhat out of line with stocks in 1923-25 may have initiated the production expansion which by piling up stocks eventually destroyed consumptive power. We have a long way to go before stocks and prices return to sound levels.

if if if



American Agriculture Benefited  
Through Use of Contracted Acres

By J. F. Cox,  
Chief, Replacement Crops Section  
Agricultural Adjustment Administration.

Some 43 million acres of land of average fertility heretofore employed in producing corn, wheat, cotton and tobacco will be withdrawn from surplus production of these crops through the fulfillment of the various production control programs for these commodities. These include a reduction of some 20 million acres in corn, 15 million acres in cotton and 8 million acres in wheat, and a half million acres in tobacco.

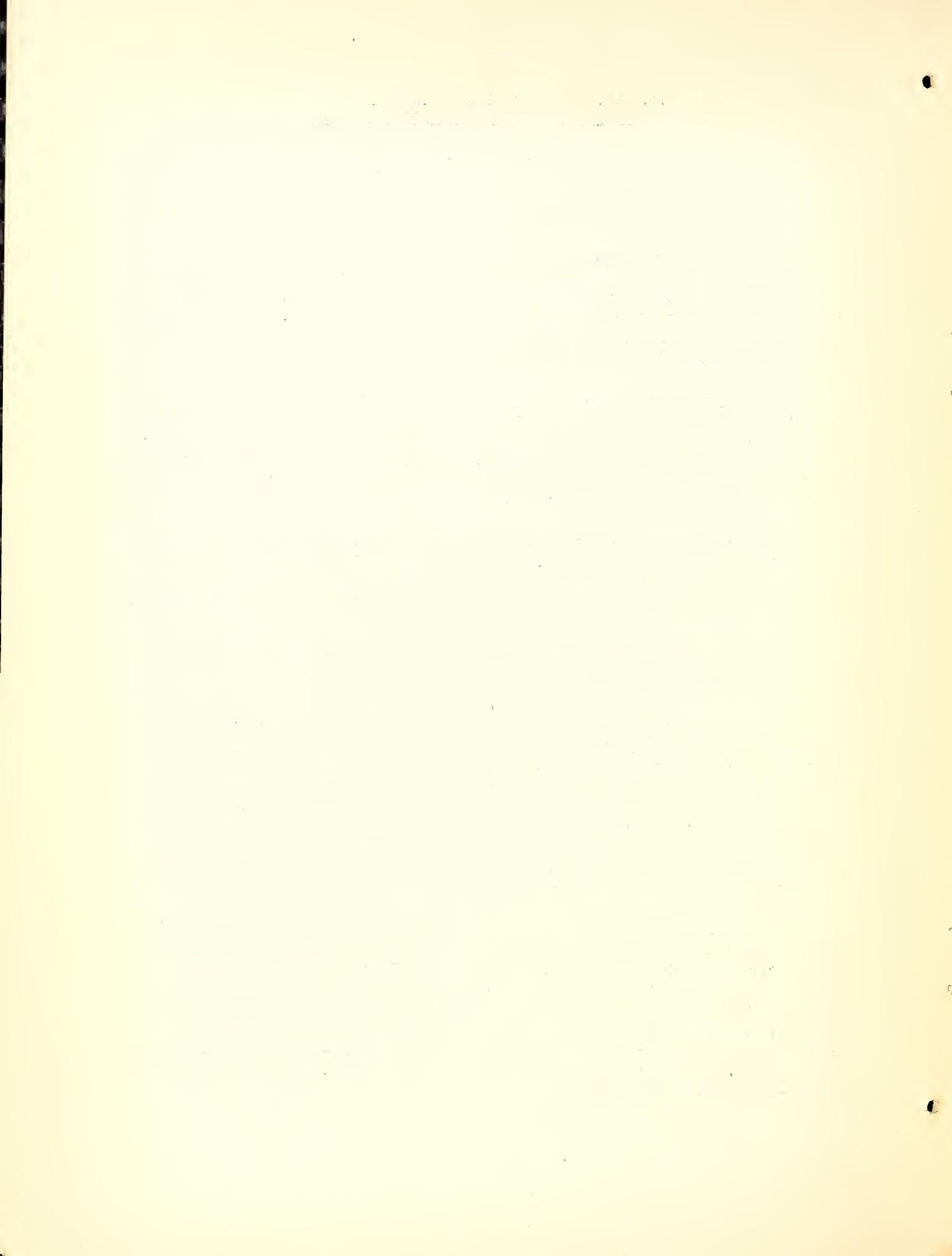
The programs for the use of this land withdrawn from the production of basic crops are generally uniform. All of the above four contracts permit the use of the rented acres in establishing new seedings of soil-improving and erosion-preventing crops; resting or fallowing the land, where these practices are practicable; cultivating to control noxious weeds; and planting to forest trees.

Since cotton and tobacco are contract crops, produced largely by share renters and share croppers, limited use of the rented acres is permitted in these contracts for growing crops for direct consumption by the farm family or for feeding livestock contributing to the farm family.

Except for the use of additional pasture seeding for light pasturing, the corn-hog contract and regulations do not permit the use of the rented acreage for crops for home use.

None of the contracts permit the use of the rented acreage for growing crops for sale purposes or feed crops to be fed livestock and poultry producing for the market, except that limited fall pasturing is permitted on new seedings of permanent pasture and meadow crops in accordance with the corn-hog and wheat contracts, making additional expense for temporary fences unnecessary. The pasturing or feeding otherwise of nurse crops or of annual forage crops that produce an abundance of forage on contracted acreage for the purpose of producing meat and milk for the market would be contrary to all of the contracts.

Under these regulations the use of rented acreage should benefit American agriculture beyond the immediate effect of balancing production of those crops we now produce in surplus. An increase in permanent pastures and meadow crops on these retired acres should result in decreasing losses from erosion and should aid in maintaining and improving soil fertility. More economical and more effective feeding practices should follow through the ultimate availability of more home-grown roughage and pasture crops. These factors will result in an improvement in our existing farm-management programs.



All increased demand will undoubtedly develop for legume and grass seed. Growers who plan to plant their rented acres to these crops will do well to secure, at an early date, their needed seed supplies of blue grass, timothy, red top, orchard grass, brome grass, alfalfa, lespedeza, red and alsike clover, and sweet clover, of adapted seed mixtures.

It is expected that many will grow soybeans, cowpeas, velvet beans, crimson clover, and other leguminous crops to be turned under for green-manuring purposes on the contracted acreage as adapted.

# # #

Farmer Receives  
A Larger Share

Even though the gain is not a large proportion of the distance yet to go, the farmer received two more cents out of each consumer-dollar spent on 14 important foods in 1933 than he received in 1932, according to Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration.

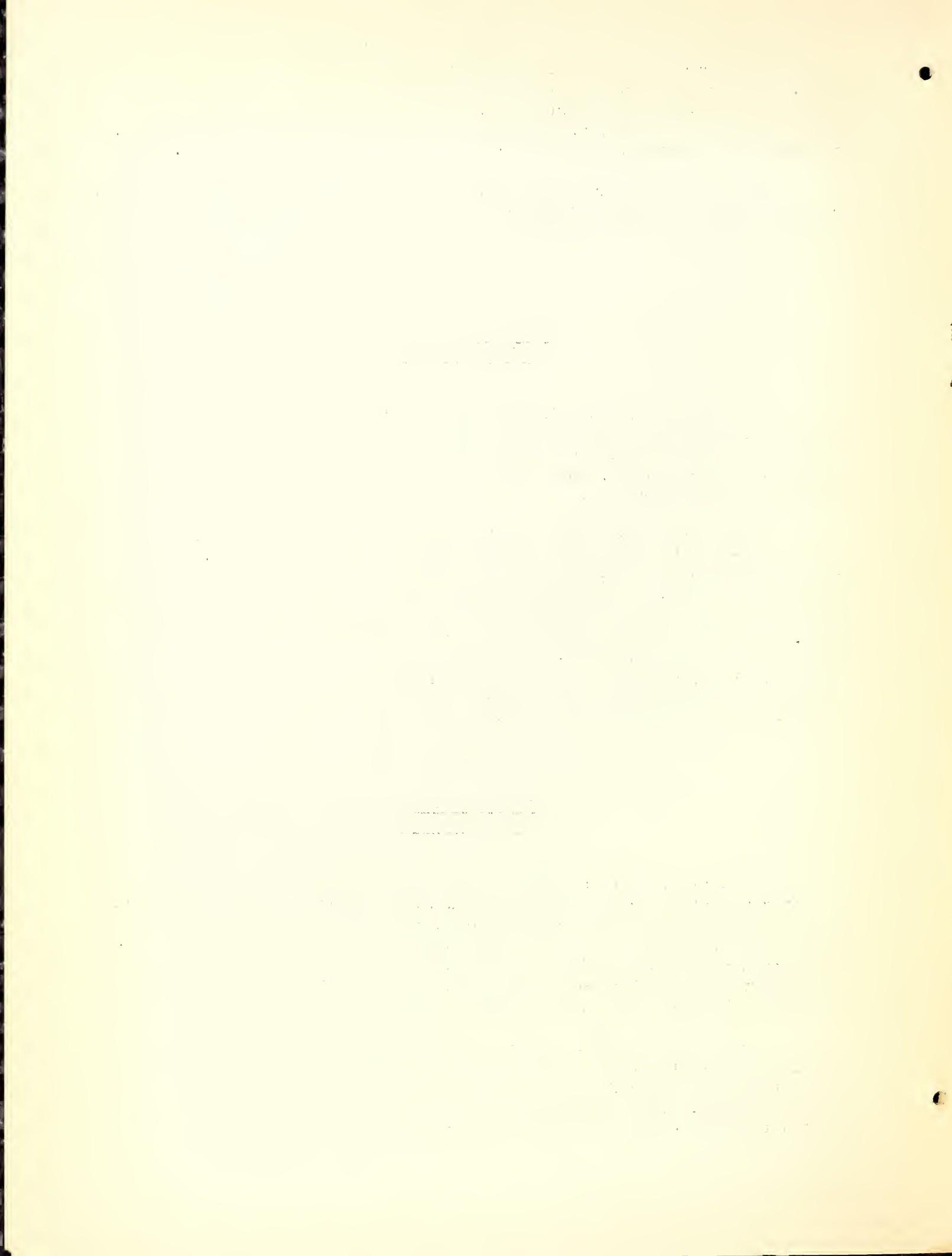
In 1929 the farmer was getting 47 cents per dollar and so only a small part of the way has been traveled but, according to Dr. Howe, there are two ways of accomplishing a return to this level. One is to increase farm prices faster than retail prices; two, to reduce the costs. Progress has been made in the first of these directions during the past year. The price consumers had to pay for typical monthly purchases per family of those 14 foods decreased from \$16.78 in 1932 to an average of \$16.44 in 1933, but the equivalent farm price advanced from \$5.54 in 1932 to \$5.81 in 1933. These changes were much more marked during the last half of the year than the first.

# # #

Something New  
Under The Sun

A new plan, that has been described as "unique" by officials of the special crops section of the Agricultural Adjustment Administration, for increasing returns to producers of a commodity is illustrated by the method that is provided for in a proposed marketing agreement for the California asparagus canning industry upon which formal hearing was held on January 20 in Washington. This plan could apply to only a few crops whose perishability and type of growth allow it.

A control committee selected by producers and canners jointly is provided for in the plan. This committee shall make an estimate of the size of pack required for the season. All canners begin packing on a specified date. Three days before the estimated required pack is completed the committee shall notify all canners and they shall all cease



packing at the end of that time. Thus there is no need for making allocations to canners and producers, which is one of the most difficult problems of fruit and vegetable marketing agreements, according to officials of the special crops section.

# # #

A Surplus is Reduced

The huge oversupply of butter that mounted to impressive figures last fall has been whittled down to a point where it is now practically equal to the five year average, 1929 to 1933 inclusive. Thus has the butter surplus removal program that began last August at the direction of the Secretary of Agriculture had its effect on the excessive storage supplies.

The total net storage holdings of creamery butter on January 1 amounted to 111,210,000 pounds, according to the Bureau of Agricultural Economics. Of this total, 39,232,000 pounds belong to the Government and is being rapidly distributed to the needy and unemployed by the Federal Surplus Relief Corporation. In addition to this, proposals for bids on 18,011,000 pounds of butter to be bought shortly for the same purpose were outstanding on January 1. When these additional commitments have been secured the net commercial holdings of butter will be 53,267,000, or only 5,706,000 pounds in excess of the five year average commercial holdings reported for January 1.

# # #

It Has Teeth

The license permitting the Independent Growers Association of Yuba City and Oakland, California, to can cling peaches in California has been revoked by Secretary Wallace. The license was issued August 17, 1933, and the revocation is made effective January 22, 1934.

The association applied for modification of the license, but this application was denied and the license revoked. Violations charged against the association included: Canning peaches in excess of its allotment; failure to pay to the control committee during each week of its operation \$2.50 per ton for peaches canned during the preceding week and \$2.50 per ton for the total pack; refusing examination of its records on order of the control committee; and failure to pay assessments by the committee.

# # #

